

## Message Text

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21

ORIGIN XMB-04

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FM SECSTATE WASHDC

TO AMEMBASSY BELGRADE

UNCLAS STATE 030706

E.O. 11652: N/A

TAGS: APUB, YO

SUBJECT: PRESS RELEASE ON EXIMBANK CREDIT TO YUGOSLAVIA

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE DIRECT CREDIT OF \$4 MILLION TO JUGOSLOVENSKI AEROTRANSPORT (JAT). RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON D.C. FOR A.M. PAPERS, FRIDAY, FEBRUARY 21, 1975.

QUOTE: EXIMBANK CREDIT OF \$4 MILLION SUPPORTS \$10 MILLION SALE OF U. S. JET AIRCRAFT TO YUGOSLAVIA

TO HELP FINANCE A \$10 MILLION SALE OF ONE BOEING 727-200 JET AIRCRAFT WITH RELATED GOODS AND SERVICES TO YUGOSLAVIA, THE BOARD OF DIRECTORS OF

THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED A DIRECT CREDIT OF \$4 MILLION TO FINANCE 40 PERCENT OF THE TOTAL U.S. COSTS.

A CREDIT OF \$5 MILLION FROM PRIVATE SOURCES NOT YET DESIGNATED WILL FINANCE 50 PERCENT OF THE U.S. COSTS. THE OBLIGOR, JUGOSLOVENSKI

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AEROTRANSPORT (JAT), WILL MAKE CASH PAYMENT OF THE BALANCE OF 10 PER-

CENT

OF THE U.S. COSTS OR \$1 MILLION. ESTABLISHED IN 1947, JAT IS YUGO-SLAVIA'S PRINCIPAL AIR CARRIER.

THE BOEING COMPANY OF SEATTLE, WASHINGTON, WILL MAKE DELIVERY OF THE AIRCRAFT IN JUNE 1975. THIS DELIVERY WILL REPRESENT THE SEVENTH BOEING 727 JET AIRCRAFT PURCHASED BY JAT WITH EXIMBANK'S FINANCIAL ASSISTANCE.

THE LOANS ARE TO BE REPAYED IN 20 SEMIANNUAL INSTALLMENTS BEGINNING DECEMBER 10, 1975. EXIMBANK'S CREDIT OF \$4 MILLION WILL BE REPAYED OUT OF THE LAST 9 INSTALLMENTS WITH INTEREST AT THE RATE OF 8 PERCENT PER ANNUM, WHICH WHEN BLENDED WITH THE PORTION OF THE CREDIT FROM PRIVATE SOURCES RESULTS IN AN ESTIMATED INTEREST COST TO THE BORROWER, BASED ON CURRENT RATES, OF ABOUT 9.07 PERCENT TO 9.32 PERCENT PER ANNUM. REPAYMENT OF ALL LOANS IS TO BE GUARANTEED BY BEOGRADSKA BANKA AND YUGOSLAV INVESTMENT BANK. UNQUOTE  
INGERSOLL

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## Message Attributes

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**TAGS:** APUB, YO  
**To:** BELGRADE  
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